

MICRONESIA'S BUSINESS LETTER

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JULY 1976  
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DEAR BUSINESSMAN:

MARSHALL ISLANDS' ECONOMY MOVING-UP. LEADERS EFFORTS TO ENCOURAGE FOREIGN INVESTMENT ARE PAYING OFF. CONSTRUCTION, FISHING, FINANCING ARE KEY AREAS.

FEDERAL CREDIT UNION ACT AMENDED TO INCLUDE T. T. U. S. PUBLIC LAW 93-383 MAKES IT POSSIBLE FOR A T.T. CREDIT UNION TO APPLY FOR A U. S. FEDERAL CHARTER. ACCEPTANCE STANDARDS WILL BE VERY HARD TO REACH AND MAINTAIN. IF SO CHARTERED, THE BUREAU OF FEDERAL CREDIT UNIONS WOULD PROVIDE GOVERNMENT EXAMINERS.

EDLF. YOU MAY NEVER SEE OR HEAR OF ANOTHER EDLF LOAN. WHEELS ARE TURNING TO GET COMPLETE LOAN ADMINISTRATION OVER TO THE MICRONESIA DEVELOPMENT BANK (MDB). UNDERSTANDINGS ON HOW THIS WILL BE WORKED OUT WITH WASHINGTON D. C. ARE IN THE PROCESS. PENDING LOANS WILL HAVE TO BE RESUBMITTED. THAT'S OUR BEST INFORMATION.

PAYROLL CHECKS. EVERY EMPLOYEE SHOULD BE PAID BY CHECK. THESE ARE USUALLY ON CHECKS DIFFERENT THAN THOSE USED FOR GENERAL DISBURSEMENTS. IF THE SAME CHECK IS USED BE SURE TO SHOW "THE BREAKDOWN" ON YOUR CHECK STUB. NET PAY MUST AGREE WITH THE PAYROLL JOURNAL AND THE EMPLOYEE EARNING RECORD.

TELEPHONE VOICES. THE PERSON WHO ANSWERS YOUR PHONE SHOULD IDENTIFY YOUR BUSINESS AND THEMSELVES IN A PLEASING MANNER. NEVER LEAVE THE CALLER WAITING FOR MORE THAN ONE MINUTE WITHOUT CHECKING BACK. PROMPT, POLITE HANDLING OF CALLS SUGGESTS THAT YOUR BUSINESS IS WELL RUN. INSTRUCT YOUR EMPLOYEES AND THEN TELEPHONE IN AND SEE HOW IT WORKS.

BANK INTEREST RATES. THESE ARE READY TO GO UP. SAVINGS/TIME DEPOSITS WILL GO UP BUT SO THEN WILL THE COST OF BORROWING MONEY. WATCH AND SEE. INFLATION PRESSURES ARE BUILDING SLOWLY NOW, BUT BUILDING SURELY.

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BUDGET PROTECTIONS. IF YOUR FISCAL YEAR IS THE SAME AS YOUR CALENDAR YEAR YOU ARE HALF-WAY. LOOK NOW TO SEE IF YOU ARE ON BUDGET COURSE. RESET NECESSARY GOALS TO ASSURE THAT YOU MAKE YOUR BUDGET OBJECTIVES BY THE END OF THE YEAR. WAR CLAIMS MAY BE A BOOST, UNLESS THEY ARE MORE WISELY INVESTED.

CONGRESS OF MICRONESIA. THE ACTION IS IN PONAPE THIS MONTH. WILL YOUR BUSINESS CONCERNS BE CONSIDERED? WHO REPRESENTS YOUR INTERESTS IN COM HEARINGS?

RECEIVING REPORTS. THESE ARE SIGNED BY THE EMPLOYEE RECEIVING GOODS BEING DELIVERED. THEY SHOULD BE MATCHED TO THE VENDOR'S INVOICE TO BE SURE YOU PAY ONLY FOR WHAT WAS RECEIVED IN SALEABLE CONDITION. SPOT CHECK YOUR EMPLOYEE'S COUNT.

XMAS BUYING. IT'S NOT TOO SOON TO START THINKING ABOUT CHRISTMAS BUYING NOW. WHY GET SHORT IN DECEMBER SWEATING THE ARRIVAL OF THE SHIP? CHRISTMAS FALLS ON SATURDAY AND TRUST TERRITORY GOVERNMENT PAYDAY IS EIGHT DAYS BEFORE THE 25TH. CHRISTMAS SHOPPING WILL BEGIN EARLIER IN '76 THAN IT DID IN '75. GET YOUR GOODS ON THE DOCK BEFORE THANKSGIVING AND STAY AHEAD OF THE GAME.

RESERVE ACCOUNT. YOUR ABILITY TO BUILD A FUTURE DEPENDS ON HOW YOU PROVIDE FOR THIS ACCOUNT. IN MOST COOPERATIVES, AT LEAST TWENTY PERCENT OF THE NET EACH YEAR GOES TO A MANDATORY RESERVE. THIS IS NOT A CASH ACCOUNT.

DAMAGED OR RETURNED GOODS. KEEP THESE RECORDS. SHOW THE LOSSES FOR WHAT THEY ARE, REFUNDS ON CUSTOMER COMPLAINTS SHOULD BE RECORDED ON A REFUND SLIP SHOWING CUSTOMER'S SIGNATURE. THIS VERIFIES CASH DIFFERENCES RESULTING FROM THE CASH PAY OUT. TO TAKE THE REFUND OFF THE NEW PURCHASE IS POOR ACCOUNTING.

NEW FINANCIAL STATEMENT. ACCOUNTANTS PREPARE BALANCE STATEMENT AND PROFIT AND LOSS STATEMENT, AS WE ALL KNOW. NOWADAYS A FUNDING STATEMENT IS TAKING ON NEW IMPORTANCE. THIS IS BASICALLY A CASH FLOW ANALYSIS. CASH FLOW ASSURES THAT DEBTS CAN BE MET ON TIME. A BUSINESS CAN LOOK GOOD ON A BALANCE SHEET AND P & L STATEMENT AND STILL BE IN TROUBLE WITH CASH FLOW. THE FUNDING STATEMENT WOULD REVEAL THIS.

MICRONESIA DEVELOPMENT BANK'S ADDRESS: MR. J. KNOX McCONNELL, PRESIDENT; CAPITOL HILL - P. O. Box 186; SAIPAN, MARIANA ISLANDS 96950. INTERESTED IN A MOTORSCOOTER ASSEMBLY OPERATION FOR YOUR DISTRICT (ONE PER DISTRICT); WRITE TO MR. McCONNELL.

MICRONESIAN MILLIONAIRES: WE HAVE QUITE A FEW! WE COULD COUNT ELEVEN. HOW MANY CAN YOU COUNT? NO WE CANNOT GIVE YOU OUR COUNT, MAKE YOUR OWN.

BOATS - FERROCEMENT OR FIBERGLASS. WHILE TRUK HAS BEEN IN THE FERROCEMENT BOAT BUILDING THE MARSHALLS HAS GOTTEN INTO BUILDING FIBERGLASS BOATS. WHO SAYS WE CAN'T MANUFACTURE COMPETITIVELY IN VITAL INDUSTRIES? WE CAN AND WE ARE.

RETAIL CLERKS TRAINED OR UNTRAINED? DO THEY GREET YOUR CUSTOMERS? DO THEY CALL OUT EACH PRICE? DO THEY STATE THE AMOUNT TENDERED AND CLEARLY COUNT BACK CHANGE? DO THEY SEE THAT GROCERIES ARE PACKED PROPERLY? DO THEY THANK THE CUSTOMER? CUSTOMERS PREFER TO GO WHERE THEY CAN ANSWER "YES" TO THE ABOVE.

THE ECONOMIST. A HIGHLY INFORMATIVE WEEKLY MAGAZINE/NEWSPAPER. YOU ASKED WHERE YOU CAN GET QUALITY NEWS/BUSINESS REPORTING. THIS BRITISH PUBLICATION IS GREAT AND YOU DON'T HAVE TO BE AN ECONOMIST TO APPRECIATE IT. WRITE: THE ECONOMIST NEWSPAPER LTD., SUBSCRIPTION DEPT., P. O. Box 190, 23A SAINT JAMES ST., LONDON SW1A1HF, ENGLAND. AIR MAIL \$59. PER YEAR. IT'S NOT CHEAP.

"THE DAY THAT I DIE". THIS IS THE TITLE OF THE FIRST OF THREE NOVELS SET IN PALAU BY DR. P. F. KLUGE, FORMER PCV IN MICRONESIA. "HOW TO GET A LOAN" BY MICRONESIA DEVELOPMENT BANK PRESIDENT McCONNELL MIGHT BE BETTER READING IF YOU ARE IN BUSINESS; ESPECIALLY IF YOU PLAN TO SEEK A LOAN FROM MICRONESIA DEVELOPMENT BANK.

YOUR OUTBOUND LETTERS. THE APPEARANCE OF YOUR BUSINESS LETTER TELLS MUCH ABOUT THE KIND OF BUSINESSMAN YOU ARE. NEATNESS, SPELLING, CORRECTNESS OF INFORMATION, ATTITUDE, BRIEFNESS, PROMPTNESS OF REPLY, GRAMMAR ALL GO TO GIVE THE READER A TOTAL IMPRESSION. A NON-REPLY IS A POOR IMPRESSION! AND LOSS OF BUSINESS.

"THE DOG WITH THE BONE IS ALWAYS IN DANGER" - AN AMERICAN ADAGE.

SINCERELY YOURS,

*Chuck Seward*

CHIEF, BUSINESS DEVELOPMENT

RETURN ADDRESS:

ECONOMIC DEVELOPMENT DIVISION  
HQ TRUST TERRITORY GOV'T  
SAIPAN, MARIANA ISLANDS 96950

TO: